

## Have I Got a Deal for You!

Working as a consultant, I spend a considerable amount of time in my car. Recently, my old "beast of burden" topped 128,000 miles and started indicating--through a series of sputters, screeches and occasional "pops"--that it was time for me to buy a new car. And did I have a dream car in mind--a midsize, sporty, two-door convertible!

Having recently co-authored a book on negotiation, I felt perfectly ready to negotiate a great deal. So on a sunny Saturday morning, full of excitement, I drove to the nearest car dealer. A salesman immediately approached me. Full of smiles, he eagerly shook my hand and introduced himself as Mike. In hand, I had a newspaper ad clearly displaying my dream car at a most attractive price. When Mike saw the ad, a look of deep disappointment crossed his face as he said, "That baby left the lot just last night. It was a sweet deal that was almost too good to be true. While we don't have that car at that price, we have some great buys on several similar models. Let me show you."

Okay, I'd already fallen victim to the old "bait and switch" tactic. I spent the next hour looking at various models with Mike, becoming more confused as the hour wore on. Although the dealer had several similar models, the prices were far more than the price for the car in the ad. Yet the advertised car had been touted as "top of the line." If it was top of the line, why were models with fewer features selling for more? Plus, the more cars we looked at, the further away we were getting from my dream car. At the end of the hour, I was rapidly losing interest in my quest. Sensing this, Mike made a last-ditch effort, saying, "If we could knock \$1,000 off the sticker price of this model, would you take it today?" Insisting that I needed more time to make such an important decision, I fled the lot.

Driving home, I did some serious soul searching about my ability to negotiate a big-ticket item like a car. Reflecting back on the morning, it became apparent that, although I

The Premiere Newsletter for  
Negotiators  
**FREE**

**The Master Negotiator** is a monthly newsletter packed with tips, strategies, and tactics to ensure your success in virtually every negotiation. The **Negotiating Tactic of the Week** gives you an insider's look at hundreds of strategies and tactics. Make sure you know more than your counterpart! Simply enter your email address in the box provided to start your subscription.

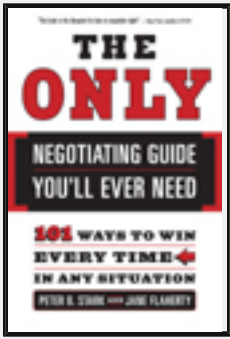
**The Master  
Negotiator**

**Register for Our  
Teleseminars**

**Test  
Your Negotiation  
Skills**

**Determine  
Your  
Negotiating Style**

## View Our Selection



## of Books & Tapes

thought I was prepared, when the game plan changed and the model I wanted was not available, I really didn't have a good backup plan. It seemed that slick Mike had dazzled me with his sticker/dicker strategies. But, in truth, we had both lost. Mike didn't sell me a car, and I was not driving home in my convertible.

Although I eventually achieved my goal, I could have done so earlier if I'd only heeded my own advice on negotiation. The eight steps below will keep you from making the same mistakes I did, and help you achieve a successful outcome when negotiating for any big-ticket item.

### 1. Do Your Homework

In negotiation, the counterpart with the most and best information usually has the advantage. That's why when negotiating for big-ticket items, there's no substitute for doing your homework. View each negotiation not as an event but as a process that starts long before the actual face-to-face encounter. Spend time arming yourself with information to gain the confidence you need to negotiate assertively.

Fortunately, it's never been easier to get information. You can browse the Internet, talk to competitors, visit the library or consult friends who have conducted similar negotiations.

### 2. Stand Your Ground

Doing your homework will help you identify the variables or options that are important to you. Knowing beforehand which things you are willing to negotiate and which are non-negotiable will help you present yourself confidently. Salesman Mike offered me so many "package deals" with different options that I lost track of the specific features I wanted in my dream car.

Once away from the lot, I had time to review the specifics, so I wrote down which options were important to me and which ones I could do without. I also spent time researching the cost of the various options. By simply calling three dealers, I was able to get a price quote for a specific model with the color, engine size and various options I wanted, without even venturing onto a sales lot. Having this information made it much easier to negotiate a satisfactory outcome.

### 3. Aim High

Many people are not confident negotiators. Rather than setting their aspirations high, they enter negotiations with the simple goal of not being taken advantage of. Reversing that thinking by setting your aspirations high will have a significant impact on your ability to derive positive outcomes. For example, let's say you are negotiating to buy a home. The seller is listing his house at \$319,500, but--because you have done your homework and researched what other houses in the same area are selling for--you know that the same model in the same development, with comparable landscaping and interior features, sold last month for \$299,000. Aim high. Start with a positive vision of purchasing the home for \$295,000.

While it's true that you will most likely have to pay more than your initial offer, starting with your aspiration rather than your bottom line gives you more leeway in the negotiation. If your bottom line on this house is \$305,000, starting at \$295,000 gives you more opportunity to negotiate a positive outcome than starting with a higher offer. Hang on to your positive vision of achieving your desired outcome even if the negotiation gets tense. The counterpart with the most positive vision and the patience to achieve it will derive a better outcome.

#### **4. Canvass the Competition**

Once you have done your homework and clearly identified all the specifics you would like in your big-ticket item, it is relatively easy to do comparison shopping. If you are hesitant about directly approaching salespeople, try phoning. With your list of specifics in front of you, it is easy to get answers to your questions and begin weighing your many options. Using the phone to request the cost of particular options is a terrific way to not only get information but also raise your confidence level for when you begin dealing directly with a salesperson. Armed with the facts and prices gained from your multiple calls to competitors, you will emit confidence as you negotiate.

#### **5. Never Say Yes to the First Offer**

Okay, now you've narrowed down the list of competitors and begun seriously. Unless you get a "knock your socks off" opportunity, you should never say yes to the first offer. There are two reasons: First, the salesperson of a big-ticket item expects you to counter his or her price with a lower

offer and has set the price accordingly. Second, if you don't counter with a lower offer or ask for additional options to be thrown in at the initial cost, you will surely suffer from buyer's remorse. You will be driving home telling yourself, "I could have done better."

Recently, a close friend, after 40 years of wanting a Corvette, determined it was time to buy one. He went to several Chevrolet dealerships, test-drove a car and became knowledgeable about the various options available and their average price. Armed with that knowledge, he began calling dealers to ask for the cost of a 2003 torch red, automatic Corvette with a memory-seat option. Two of the dealers he called were \$5,000 to \$7,000 higher than the other dealers for the same model with identical options. He ruled them out. Another two dealers were priced more competitively and within \$1,500 of each other.

My friend began making calls to salespeople at the two competitive dealerships, letting each of them know what the other dealership's offer was. Listening to his side of the conversation, I heard him use tactics like, "You'll have to do better than that" and "Is that your best offer?" By playing one competitor against the other, he was able to get the car he wanted at a price he felt was fair. What impressed me was that when he went to pick up the car, it was the first time he had actually been to the dealership! The whole negotiation had taken place over the phone.

If you're afraid you'll get bamboozled in a negotiation, use the phone. Project confidence and use the power of competition to achieve your goals.

## **6. Appeal to a Higher Authority**

It is not uncommon for a car salesperson to appear to accept your initial offer. Just about the time you are mentally congratulating yourself for negotiating a terrific deal, the salesperson will say, "I'll just have to run this offer by my sales manager for the final okay." Be forewarned. The sales manager is not going to accept your offer. In fact, the salesperson may never even go to a sales manager.

Instead, what will happen next is that your salesperson will become your new best friend, assuring you that he is doing all he can to persuade the sales manager to accept your offer, but it just isn't high enough. The salesperson is playing "good guy/bad guy" with you. He's pretending to be

a friend who desperately wants to accept your offer and make the sale, while the sales manager is the bad guy turning down your offer.

At that point, rather than making a counter-offer, try appealing to a higher authority yourself. Tell the salesperson that you're sorry, but if the price is higher than your initial offer, you won't be able to complete the sale without first consulting with your spouse, partner or personal banker--or anyone else who appears to have authority. You don't actually have to consult with this authority. Just telling the salesperson that you intend to do so is usually enough to reopen the negotiation or buy you more time to think about the offer and consider your next strategy.

## **7. Put a Little Feeling Into It**

Negotiation involves a lot more than just a verbal exchange between counterparts. Don't be afraid to add a bit of emotion to your negotiating repertoire. Some people fear that appearing emotional will make them look weak or vulnerable. But there's nothing wrong with exhibiting a little emotion as long as you are in control of the emotion. For example, when the salesperson makes an initial offer, you might sigh deeply, look up and say, "Wow! I had absolutely no idea the price was anywhere near that high." Then stop talking and look directly at the salesperson, waiting for him to make another offer or add something extra for the same price.

Another option is to physically flinch when the initial offer is made, perhaps rolling your eyes at the same time. A poker face can also work to your advantage, revealing little to the salesperson. Even if you decide that you are not comfortable using body language, you should at least be familiar with these tactics, since your salesperson may well use some of them on you! Identify these strategies for what they are-- methods of achieving a favorable outcome. Emotion and body language can be a real asset to you as long as you remain in control.

## **8. Don't Offer to Split the Difference**

A stalemate will often appear during the course of a negotiation. A typical response to a stalemate is for one counterpart to offer to split the difference. This is a good strategy, as long as you are not the one to make the suggestion. For example, imagine that you are selling your

house and have listed it at \$325,000. An interested buyer offers you \$310,000 and you counter with \$320,000. The buyer then counters your counter-offer with what he says is his final offer of \$315,000. At this point, you are still \$5,000 apart. You decline his offer, hoping to get closer to \$320,000. Two days later, your potential buyer suggests splitting the difference, hoping that you will respond with \$317,500. Don't. Instead, wait for your buyer to suggest a figure. At that point, you will have the opportunity to say, "I couldn't let it go for \$317,500, but I would take \$318,500." Whenever splitting the difference is suggested, the person making the offer is at a disadvantage. The person responding to the offer has more power when continuing the negotiation.

Buying a big-ticket item need not be stressful. Doing your homework and taking time to ensure that you are an expert on the many options and aspects of your future purchase will give you the confidence and competence you need to successfully negotiate a favorable outcome. For other tips and techniques related to negotiation, visit our website, [www.everyonenegotiates.com](http://www.everyonenegotiates.com) or email us at [info@pbsconsulting.com](mailto:info@pbsconsulting.com).

Oh yes, one final note. I'm now driving my new convertible and feeling delighted with both the car and the purchase price!

Jane Flaherty is a senior consultant at Peter Barron Stark & Associates. She is co-author of *The Only Negotiating Guide You'll Ever Need* to be published by Broadway Books in Sept. 2003. Jane has trained thousands of leaders and sales professionals in the art of negotiation.

©Peter Barron Stark & Associates, 2003

---

---

[About Us](#) | [Training](#) | [Clients](#) | [Resources](#) | [Articles](#) | [Contact Us](#)

---

---

Additional Information Available on:  
[www.pbsconsulting.com](http://www.pbsconsulting.com) u [www.employeeopinionsurveys.com](http://www.employeeopinionsurveys.com) u [www.peterstark.com](http://www.peterstark.com)